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10/20/03

AF/3627 #1

PTO/SB/21 (08-03)

TRANSMITTAL FORM

(to be used for all correspondence after initial filing)

Application Number	09/624,154
Filing Date	July 24, 2000
First Named Inventor	Godlewski, Peter
Art Unit	3627
Examiner Name	Fischer, Andrew J.
Total Number of Pages in This Submission	
Attorney Docket Number	016166-001800US

ENCLOSURES ***(Check all that apply)***

- ☒ Fee Transmittal Form
- ☐ Fee Attached
- ☐ Amendment/Reply
- ☐ After Final
- ☐ Affidavits/declaration(s)
- ☐ Extension of Time Request
- ☐ Express Abandonment Request
- ☐ Information Disclosure Statement
- ☐ Certified Copy of Priority Document(s)
- ☐ Response to Missing Parts/ Incomplete Application
- ☐ Response to Missing Parts under 37 CFR 1.52 or 1.53
- ☐ Drawing(s)
- ☐ Licensing-related Papers
- ☐ Petition
- ☐ Petition to Convert to a Provisional Application
- ☐ Power of Attorney, Revocation Change of Correspondence Address
- ☐ Terminal Disclaimer
- ☐ Request for Refund
- ☐ CD, Number of CD(s)
- ☐ After Allowance Communication to Group
- ☐ Appeal Communication to Board of Appeals and Interferences
- ☒ Appeal Communication to Group **(Appeal Notice, Brief, Reply Brief)**
- ☐ Proprietary Information
- ☐ Status Letter
- ☒ Other Enclosure(s) *(please identify below)*:

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Firm or Individual	Townsend and Townsend and Crew LLP Patrick M. Boucher Reg. No. 44,037
Signature	Patrick Boucher
Date	October 17, 2003

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PTO/SB/17 (10-03)

FEE TRANSMITTAL for FY 2004

Effective 10/01/2003. Patent fees are subject to annual revision.

☒ Applicant claims small entity status. See 37 CFR 1.27

TOTAL AMOUNT OF PAYMENT ($) **165**

Complete if Known	
Application Number	09/624,154
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Art Unit	3627
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METHOD OF PAYMENT *(check all that apply)*

☐ Check ☐ Credit Card ☐ Money Order ☐ Other ☐ None

☒ Deposit Account:

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Deposit Account Name: Townsend and Townsend and Crew LLP

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FEE CALCULATION

1. BASIC FILING FEE

Large Entity Fee Code	Large Entity Fee ($)	Small Entity Fee Code	Small Entity Fee ($)	Fee Description	Fee Paid
1001	770	2001	385	Utility filing fee	
1002	340	2002	170	Design filing fee	
1003	530	2003	265	Plant filing fee	
1004	770	2004	385	Reissue filing fee	
1005	160	2005	80	Provisional filing fee	

SUBTOTAL (1) ($)

2. EXTRA CLAIM FEES FOR UTILITY AND REISSUE

			Extra Claims		Fee from below		Fee Paid
Total Claims		-** =		X		=	
Independent Claims		-** =		X		=	
Multiple Dependent				X		=	

Large Entity Fee Code	Large Entity Fee ($)	Small Entity Fee Code	Small Entity Fee ($)	Fee Description
1202	18	2202	9	Claims in excess of 20
1201	86	2201	43	Independent claims in excess of 3
1203	290	2203	145	Multiple dependent claim, if not paid
1204	86	2204	43	** Reissue independent claims over original patent
1205	18	2205	9	** Reissue claims in excess of 20 and over original patent

SUBTOTAL (2) ($)

**or number previously paid, if greater; For Reissues, see above

FEE CALCULATION (continued)

3. ADDITIONAL FEES

Large Entity Fee Code	Large Entity Fee ($)	Small Entity Fee Code	Small Entity Fee ($)	Fee Description	Fee Paid
1051	130	2051	65	Surcharge - late filing fee or oath	
1052	50	2052	25	Surcharge - late provisional filing fee or cover sheet.	
1053	130	1053	130	Non-English specification	
1812	2,520	1812	2,520	For filing a request for reexamination	
1804	920*	1804	920*	Requesting publication of SIR prior to Examiner action	
1805	1,840*	1805	1,840*	Requesting publication of SIR after Examiner action	
1251	110	2251	55	Extension for reply within first month	
1252	420	2252	210	Extension for reply within second month	
1253	950	2253	475	Extension for reply within third month	
1254	1,480	2254	740	Extension for reply within fourth month	
1255	2,010	2255	1,005	Extension for reply within fifth month	
1401	330	2401	165	Notice of Appeal	
1402	330	2402	165	Filing a brief in support of an appeal	165
1403	290	2403	145	Request for oral hearing	
1451	1,510	1451	1,510	Petition to institute a public use proceeding	
1452	110	2452	55	Petition to revive – unavoidable	
1453	1,330	2453	655	Petition to revive – unintentional	
1501	1,330	2501	655	Utility issue fee (or reissue)	
1502	480	2502	240	Design issue fee	
1503	640	2503	320	Plant issue fee	
1460	130	1460	130	Petitions to the Commissioner	
1807	50	1807	50	Petitions related to provisional applications	
1806	180	1806	180	Submission of Information Disclosure Stmt	
8021	40	8021	40	Recording each patent assignment per property (times number of properties)	
1809	770	2809	385	Filing a submission after final rejection (37 CFR § 1.129(a))	
1810	770	2810	385	For each additional invention to be examined (37 CFR § 1.129(b))	
1801	770	2801	385	Request for Continued Examination (RCE)	
1802	900	1802	900	Request for expedited examination of a design application	

Other fee (specify) ----------

*Reduced by Basic Filing Fee Paid **SUBTOTAL (3)** ($)165

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SUBMITTED BY				Complete *(if applicable)*	
Name (Print/Type)	Patrick M. Boucher	*Registration No. (Attorney/Agent)*	44,037	*Telephone*	303-571-4000
Signature				*Date*	October 17, 2003

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OCT 24 2003
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re application of:

Peter Godlewksi et al.

Application No.: 09/624,154

Filed: July 24, 2000

For: SYSTEMS AND METHODS FOR PURCHASING, INVOICING AND DISTRIBUTING ITEMS

Examiner: Fischer, Andrew J.

Technology Center/Art Unit: 3627

APPELLANT BRIEF UNDER 37 CFR §1.192

Mail Stop Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

Appellant offers this Brief further to the Notice of Appeal mailed on July 30, 2003. This Brief is submitted in triplicate as required by 37 CFR §1.192(a).

1. Real Parties in Interest

The real parties in interest are Omnicell, Inc. and DispenseSource, Inc.

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2. Related Appeals and Interferences

No other appeals or interferences are known that will directly affect, are directly affected by, or have a bearing on the Board decision in this appeal.

3. Status of Claims

Claims 1 – 15 and 31 – 35 are currently pending in the application. All pending claims stand finally rejected pursuant to an Office Action mailed August 14, 2003 (paper no. 19, hereinafter "the Final Office Action"). The Final Office Action was mailed after Appellants filed the Notice of Appeal in response to an Advisory Action mailed July 2, 2003 (paper no. 16). The Advisory Action maintained a previous final rejection (paper no. 14) of all pending claims in light of an after-final response filed by Appellants on June 2, 2003 (paper no. 15).

Original Claims 16 – 30 and 36 – 55 were canceled; and original Claims 1, 31, and 32 were amended.

The rejections of pending Claims 1 – 15 and 31 – 35 are believed to be improper and are the subject of this appeal.

4. Status of Amendments

No amendments have been filed subsequent to the final rejection mailed August 14, 2003.

5. Summary of the Invention

In one embodiment, the claimed invention relates to a method for supplying items to a plurality of dispensing units (Application, p. 2, ll. 20 – 21). The dispensing units may each hold a plurality of multiple distinct items, such as manufacturer, repair, and operations supplies,

medical and pharmaceutical supplies, and the like (*id.*, p. 9, ll. 25 – 26; p. 7, ll. 28 – 29). An example of a suitable dispensing unit is one that has an enclosure with adjustable shelves, each of which has multiple storage locations (*id.*, p. 8, ll. 9 – 13). Touch-sensitive buttons on the shelves near each storage location may be connected to a processor that receives signals from the buttons when actuated (*id.*, p. 8, ll. 13 – 16), allowing removal or replenishment of items in the unit to be monitored (*id.*, p. 8, ll. 16 – 26). The dispensing units have electronics that permits access to a server computer over a network (*id.*, p. 10, ll. 7 – 8), with the server computer having computer code to periodically poll the dispensing units to download stock-level and transaction information (*id.*, p. 10, ll. 8 – 10).

This restocking information is used by the server computer to aggregate the number and types of items to be restocked into the dispensing units (*id.*, p. 10, ll. 13 – 14). The aggregated restocking information is used to generate ordering information, identifying items to be reordered, their quantities, and suppliers, and the reordering information is transmitted over the network to an application computer (*id.*, p. 10, ll. 14 – 17). The application computer operates a hosted procurement application to procure restock quantities, and may include features that allow such operations as approving, modifying, or rejecting orders, changing suppliers, and the like (*id.*, p. 10, ll. 24 – 32).

Restocking of the dispensers may then proceed by transmitting orders with the hosted procurement application to supplier computers (*id.*, p. 11, ll. 16 – 17) so that suppliers may determine how to fill the orders (*id.*, p. 11, ll. 24 – 25). Advantageously, the suppliers may receive purchase orders electronically that are produced using an automated system that aggregates demand as items are consumed (*id.*, p. 11, ll. 21 – 23). An advanced shipping notice is returned to the application computer, specifying such information as the types and quantities of items being shipped (*id.*, p. 11, ll. 25 – 31). Items are shipped by the supplier and restocked into the dispensing units so that the restocked items may be reconciled with the advanced shipping notice (*id.*, p. 12, ll. 8 – 17). A confirmation receipt is generated electronically by each dispensing unit for transmission back through the network to the supplier computers (*id.*, p. 12, ll. 17 – 25), which may generate an invoice based on the receipt for transmission to the application computer (*id.*, p. 12, ll. 30 – 33).

6. Issues

Issue 1: Whether under 35 U.S.C. §102(e) Claims 1, 3, and 31 – 34 are anticipated by U.S. Pat. No. 6,204,763 ("Sone"). The Examiner's position on this issue is described in paragraphs 7 and 8 on pages 3 –5 of the Final Office Action.

Issue 2: Whether under 35 U.S.C. §103(a) Claims 1, 3, and 31 – 34 are unpatentable over Sone. The Examiner's position on this issue is described in paragraph 10 on pages 5 – 6 of the Final Office Action.

Issue 3: Whether under 35 U.S.C. §103(a) Claims 2, 4 – 15, and 35 are unpatentable over Sone in view of U.S. Pat. No. 6,341,271 ("Salvo"). The Examiner's position on this issue is described in paragraph 11 on pages 6 – 7 of the Final Office Action.

Issue 4: Whether under 35 U.S.C. §103(a) Claims 1 – 15 and 31 – 35 are unpatentable over WO 97/14104 ("Higham") in view of Sone and Salvo. The Examiner's position on this issue is described in paragraph 12 on pages 7 – 8 of the Final Office Action.

The Examiner's position on these issues has additionally been supplemented in paragraphs 17 – 25 on pages 12 – 15 with a response to remarks made by Appellants addressing earlier rejections.

7. Grouping of the Claims

For purposes of this appeal, the claims are grouped as follows. Group 1 pertains to Issues 1, 2, and 4; Group 2 pertains to Issues 3 and 4; and Group 3 pertains to Issues 3 and 4.

Group 1: Claims 1, 3, and 31 – 34;

Group 2: Claims 2, 4 – 11, and 35; and

Group 3: Claims 12 – 15.

Appellant reserves the right outside the context of this appeal to argue independent patentability of the grouped claims.

8. Argument

a. Use of Uncited Material

While the issues identified in Section 6 set forth the specific bases for rejection in the Final Office Action, the Examiner has also intimated that other art that is of record but not specifically cited may have been applied to reject the claims:

> Although the Examiner may have singled out various items of evidence (e.g. Sone or Salvo) and expressly noted their content, this does *not* mean that the other documents of record were not considered and applied when making the prior art rejections above. Moreover, because the cannons [*sic*] of claim construction are generally viewed from a person of ordinary skill in the art, the other documents of record not specifically mentioned in the prior art rejections above were used in the Examiner's deliberative process to access [*sic*], inter alia, the definiteness of the claims, the level of skill in the art, and ultimately the patentability of the claimed invention. (Final Office Action, ¶31, italicized emphasis in original, underlined emphasis added, citation omitted)

The application of such uncited references in formulating rejections is directly contrary to the normal practice of the Office and to code requirements that "the examiner must cite the best references at his or her command" and that "[t]he pertinence of each reference, if not apparent, must be clearly explained." 37 C.F.R. §1.104(c)(2) (emphasis added). The use of uncited material in rejecting claims not only makes it impossible for Appellants to respond fully, but also makes it impossible for the Board to consider fully the Examiner's position. Reversal of the Examiner's rejections is warranted on this basis alone.

b. Issue 1: Patentability of Group 1 Claims Under §102(e) Over Sone

Each of Claims 1, 3, and 31 – 34 stands rejected under 35 U.S.C. §102(e) as anticipated over Sone. Sone describes an automatic replenishment system that maintains a desired inventory of household consumable items (Sone, abstract). The particular arrangement shown is Sone includes an "intelligent refrigerator" that monitors its content for a variety of different items (*id.*, Col. 5, ll. 44 – 46; Col. 6, ll. 24 – 38). As items are used in a household that has the intelligent refrigerator, a computer generates a list of items that require replenishment (*id.*, Col. 6, ll. 61 – 62). The list is transmitted to a store shopping server so that items on the list may be replenished by store personnel (*id.*, Col. 6, ll. 62 – 66). Sone is clearly directed at describing the intelligent refrigerator and communications with the store shopping server; it provides no specific disclosure of how the replenishment is accomplished, other than to suggest that it is performed by "store personnel." Essentially, Sone is teaching that shopping visits by customers to a store be replaced with a refrigerator modified to monitor item quantities and transmit a list of required items to the store.

To support a rejection under 35 U.S.C. §102, the Examiner is charged with demonstrating that the cited reference teaches every element of the claim either expressly or inherently. Manual of Patent Examining Procedure, Eighth Edition, First Revision, February, 2003 (hereinafter "MPEP") 706.02. Any feature not taught directly must be inherently present, with inherency requiring that the element *necessarily* be present in the reference. MPEP 2112. "The fact that a certain result or characteristic may occur or be present in the prior art is not sufficient to establish the inherency of that result or characteristic." MPEP 2112 (emphasis in original).

There is nothing in Sone to suggest those limitations recited in independent Claims 1, 31, and 32 related to restocking. In particular, Sone fails to disclose aggregating the restock quantities over a plurality of dispensing units, fails to disclose generating ordering information for the items to be restocked based on the aggregated restocking information, and fails to disclose electronically sending the ordering information to supplier computers. Instead, Sone teaches only that replenishment be accomplished by store personnel, a function that may easily be performed by the personnel examining the replenishment list transmitted to the store

shopping server for a single intelligent refrigerator, and selecting the items from existing inventory. There is nothing to suggest that supplies by the store are maintained in anything but the normal fashion when customers shop in person, i.e. based on past inventory behavior.

The Examiner's statement that it is inherent to aggregate restock quantities is therefore incorrect since the claim requires aggregation over a plurality of dispensing units. In addressing this limitation, the Examiner makes the following statement, which addresses aggregation only for a *single* dispensing unit:

> aggregating the restock quantities over the plurality of dispensing units for each of the multiple distinct items (occurs on the user's bill, e.g. if milk was delivered twice, the user would have milk delivery twice on their bill; alternatively, the four (4) toilet paper rolls as shown in figure 2); (Final Office Action, ¶7).

This statement clearly reflects that the aggregation is being viewed in the Final Office Action for a single dispensing unit, and not over a plurality of dispensing units as the claims require. Similarly, the Examiner provides no basis for asserting that generating ordering information based on aggregated restocking information is disclosed other than the following:

> the 4 rolls of toilet paper; its [*sic*] impractical to supply a single roll. (Final Office Action, ¶7).

This statement again focuses only on replenishment for a single dispensing unit and says nothing about generating ordering information based on restocking information aggregated over a plurality of dispensing units.

The Examiner also takes the position that electronically sending the ordering information to supplier computers is inherent (Final Office Action, ¶7), but there are, of course, many ways in which stores might maintain their inventories, including by having standing contracts for periodic delivery, transmitting mail or telephone requests for further inventory, and the like. It is believed that most stores actually rely on these other types of methods and nothing in Sone suggests that it is *necessary* for there to be electronic transmission of the ordering information.

The Examiner has commented at length that it may be inherent to extend Sone to multiple households (Final Office Action, ¶8). Appellants have no particular quarrel with this

position, but believe it to be irrelevant. If Sone is applicable to multiple households, then each of multiple intelligent refrigerators will periodically be sending requests to the store server for replenishment of items. On receipt of each such request, store personnel will identify the requested items and arrange for replenishment from existing stocks. The mere extension to multiple households does not necessitate modifying such an arrangement in the manner claimed. Stores function well with current inventory methods responding to multiple customer shopping visits to the store, and would easily function in the same manner by substituting those personal shopping visits with server replenishment requests.

c. Issue 2: Patentability Of Group-2 Claims Under §103(a) Over Sone

The Final Office Action sets forth an alternative rejection for Claims 1, 3, and 31 – 34 under §103(a) that if the extension of Sone to multiple households is not inherent, it is obvious. As just noted, however, such an extension to multiple households is irrelevant to the claims. The extension to multiple households neither requires nor suggests a modification of inventory methods as claimed. The mere substitution of transmitting an automatically generated list of required items instead of making a personal shopping visit to the store does not suggest or require aggregation of restock quantities, generating ordering information based on aggregated restocking information, and electronically sending that ordering information to supplier computers. These aspects of the inventory methods are not addressed by Sone.

d. Issue 3: Patentability Of Group-2 and -3 Claims Under §103(a) over Sone in view of Salvo

i. Group-2 Claims

Each of Claims 2, 4 – 11, and 35 stands rejected under 35 U.S.C. §103(a) as unpatentable over Sone in view of Salvo. To support a rejection under 35 U.S.C. §103(a), the Examiner is changed with factually supporting a *prima facie* case of obviousness, which requires, *inter alia*, that all limitations of the claims be taught or suggested by the cited

references and that there be some suggestion or motivation to combine the reference teachings as proposed. MPEP 2143. The rejections of the claims of Group 2 are deficient in at least both these respects.

All of the claims of Group 2 are dependent on claims of Group 1 and are therefore patentable by virtue of the patentability of the claims of Group 1. Furthermore, the several claim limitations of the independent claims that are not disclosed in Sone[1] are also not disclosed in Salvo. Salvo discloses an inventory management system that is designed specifically for receptacles that hold a single type of item. This is evident, for example, from the fact that the amount of inventory in a receptacle is determined by using a sensor that permits a determination of volume (or a surrogate for volume, such as weight and density of the inventory) (Salvo, Col. 4, ll. 46 – 58). In contrast, the claims instead require functions that are performed in relation to dispensing units that hold a plurality of each of multiple distinct items. This fundamental difference between Salvo and the claims is manifested in independent claims underlying the claims of Group 2 in at least the requirements of aggregating restock quantities for each of the multiple distinct items and generating ordering information based on the aggregated restocking information. Salvo fails even to contemplate that restock quantities could be available for multiple distinct items in a plurality of dispensing units, let alone to teach or suggest the claim limitations that make use of such a feature.[2]

There is also no motivation to combine Sone with Salvo in the manner suggested in the Final Office Action. Various of the claim limitations for which the Final Office Action relies on Salvo are directed to aspects of procurement for the aggregated restocking information, but Sone teaches away from such aggregation by its focus on individual homes. Stated

[1] In connection with the rejection of the claims of Group 2, the Examiner acknowledges that "Sone does not disclose much in terms of the vendor side of the operations" (Final Office Action, ¶11), begging the question of how those claim limitations directed to the vendor side are viewed as being disclosed in Sone.

[2] In the Final Office Action, the Examiner dismissed an earlier presentation of this argument, indicating that patent documents need not include subject matter well known in the field of the invention and citing *S3 Inc. v. nVIDIA Corp.*2 259 F.3d 1364, 1371, 59 USPQ2d 1745, 1749 – 50 (Fed. Cir. 2001) (Final Office Action, ¶19). The Examiner's reliance on this case is entirely misplaced. The cited portion of the case is concerned with the written description requirement of 35 U.S.C. §112, ¶1 and reiterates the well-known principle that that requirement must be viewed in the context of the skill of the audience to whom patent disclosures are directed. Nothing in the case alters the well-established requirement that every element of a claim must be disclosed, expressly or inherently, to support a rejection under 35 U.S.C. §103(a).

differently, the scales of application envisaged by Sone and Salvo are widely divergent. Sone contemplates restocking consumable items for an individual home, providing examples of a few cans of food, a few rolls of toilet paper and paper towel, a carton of milk, and the like (Sone, Fig. 1 and Col. 6, ll. 9 23). Salvo, by contrast, is concerned with inventory at the scale of silos of material at manufacturing sites (Salvo, Col. 3, ll. 42 – 48). At this scale, the historical-trend and forecasting analytical tools used by Salvo may be valuable.

An attempt to combine Salvo and Sone as suggested in the Final Office Action would require changing the principle of operation of Salvo and/or would render Salvo unsuitable for its intended purpose, factors that have long been recognized as indicating that the modification is *not* obvious. MPEP 2143.01. This is well illustrated with the example provided by the Examiner:

> [I]t would have been obvious to one having ordinary skill in the art at the time of the invention was made to modify Sone as taught by Salvo and include various aspects of Salvo's vendor managed inventor system to the vendor side of Sone. In particular, this would include Salvo's vendor management tools.... Such a modification would have further reduced delays, costs of ordering, and inventory turn around times.
>
> Additionally the modification would have helped synchronize inventory ordering and delivery so that food-related items are not out of stock in the home and that perishable goods spend as little as [*sic*] time as possible in transit. For example, suppose milk inventory becomes low in a particular home every Saturday morning because children in the home are having cereal with milk while watching cartoons. Using the vendor's historical trend analysis tool as implemented in Salvo, automatic ordering and subsequent delivery of milk could occur every Saturday afternoon.
>
> (Final Office Action, ¶11).

While statistical trend-analysis and forecasting tools may be suitable for inventories held in silos and measured in feet or pounds (Salvo, Col. 11, ll. 33 – 36), they are not of much value at the small scales contemplated by Sone. Rather than use such tools, Sone specifically teaches responding to inventory changes for individual items in a home and monitoring freshness of perishable items with weight and/or expiration-date information (Sone, Col. 6, ll. 25 – 49). In the context of the Examiner's example, this already allows the system in Sone to respond to use of milk on Saturdays by noting the decrease in inventory and transmitting a request for replenishment. Furthermore, the arrangement in Sone is more versatile in that in allows for accommodation of variations, which typically are relatively more pronounced in smaller systems. For instance, if one of the children is ill on a particular Saturday and doesn't

use milk, no request for replenishment will be issued and there will be no wasteful delivery on Saturday afternoon; similarly, if another family visits during a midweek holiday and more milk is used, there will not be a shortage since an earlier request for replenishment will be issued.

ii. Group-3 Claims

Each of Claims 12 – 15 also stands rejected under 35 U.S.C. §103(a) as unpatentable over Sone in view of Salvo, but the precise basis for the rejections is unclear. Claims 12 – 15 require, *inter alia*, that the dispensing units be restocked, that the restocked items be reconciled with an advanced shipping notice, and that a confirmation receipt be sent electronically to the server computer from the dispensing units. Initially, the Examiner treated Claims 12 – 15 separately from the claims of Group 2, noting that "Salvo does not directly disclose confirmation of receipt" (Office Action mailed September 5, 2002, paper no. 9, ¶17). Either inherency or Official Notice was relied on to supply the limitation, with Official Notice being taken that "receipts are send [*sic*] for confirmation purposes in electronic commerce" (*id.*, ¶17). After Appellants traversed these bases, the Examiner grouped Claims 12 – 15 collectively with the claims of Group 2, without specifying where the limitations of those claims are to be found (Office Action mailed March 31, 2003, paper no. 14, ¶10). The Examiner now appears again to be relying on inherency or Official Notice to supply these limitations since Appellants' response is addressed in ¶¶21 – 25. In these paragraphs, the Examiner argues (1) that the limitation is inherent because Salvo discloses the use of a global positioning system ("GPS") to track inventory and (2) that Appellants' traversal of the Official Notice was inadequate. Both of these arguments continue to mischaracterize the claim limitation, which requires "electronically sending a confirmation receipt to the server computer from the dispensing units" (emphasis added).

First, the use of a GPS system in Salvo is intended to "enable[] real-time, instantaneous determination of an inventory order location while enroute to the manufacturing site" (Salvo, Col. 6, ll. 64 – 67, emphasis added). The GPS system receives signals from a transponder on a transport vehicle to monitor the transport of inventory (*id.*, Col. 6, l. 66 – Col.

7, l. 5). This is clearly different from electronically sending a confirmation receipt to the server computer from the dispensing units, and the Examiner has pointed to nothing in Salvo that necessitates such a limitation. The Examiner asks "How else would the control center know if a product was delivered?" and there are, of course, numerous ways that inventory may be tracked, such as through traditional written records made by the individual driving the transport vehicle, and the like.

Second, Appellants traversed the taking of Official Notice and requested a showing of documentary proof pursuant to MPEP 2144.03, noting that "taking Official Notice that receipts are sent for confirmation purposes in electronic commerce ignores the part of the limitation that the confirmation receipt be sent from the dispensing units" (Amendment mailed January 6, 2003, paper no. 13). This traversal is adequate because it "specifically point[s] out the supposed errors in the examiner's action [and] stat[es] why the noticed fact is not considered to be common knowledge or well-known in the art." MPEP 2144.03. The Examiner now takes the position that the traversal is not a challenge to the veracity of his statement, but is instead a challenge to the relevance of the statement (Final Office Action, ¶24). This appears to be a semantic quibble. Irrespective of whether Official Notice has been taken of an irrelevant fact or has been inadequately taken of the actual claim limitation, the Examiner's action fails to establish that the claim limitation is common knowledge in the art.[3]

e. Issue 4: Patentability Under §103(a) over Higham in view of Sone and Salvo

i. Group-1 Claims

Claims 1, 3, and 31 – 34 stand rejected under 35 U.S.C. §103(a) as unpatentable over Higham in view of Sone and Salvo. Higham is a published PCT application that is a counterpart to U.S. Pat. No. 5,745,366, which has been incorporated by reference into this

[3] The Examiner's objection to the traversal is also untimely. An explanation as to why traversal of Official Notice is inadequate is to be made in the Office Action immediately subsequent to the traversal. MPEP 2144.03. The Office Action mailed March 31, 2003, paper no. 14, gave no indication that the traversal was believed by the Examiner to be inadequate.

application (Application, p. 8, l. 5) and which describes an example of a dispensing unit that may be used with the invention. Higham is newly relied on in the Final Office Action and its 71 pages and 29 sheets of drawings have been summarized with a complete lack of specificity:

> Higham '104 discloses the claimed invention but does not disclose the computer system needed for automatic ordering and replenishment of products.... [I]t would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Higham '104 as taught by Sone and Salvo and include Sone's monitoring system and Salvo's vender [*sic*] side operations. In particular, this would include Salvo's vendor management tools.... Such a modification would have better automated replenishment of Higham '104's cabinet.
> (Final Office Action, ¶12).

This rejection completely fails to meet the requirements of 37 C.F.R. §1.104(c). As best Appellants can discern, the claims of Group 1 are being rejected on the basis that Higham discloses the first limitation of each of independent Claims 1, 31, and 32 ("providing a plurality of dispensing units..."), with Sone and Salvo disclosing the remainder of the elements. As previously noted, however, Sone and Salvo fail to disclose at least some of those other elements, and no motivation to combine Sone and Salvo in the manner suggested has been established. Furthermore, the motivation to combine both Sone and Salvo with Higham is given only as a completely conclusory statement that the modification "would have better automated replenishment" of the Higham cabinet. Such a motivation is nothing more than impermissible hindsight and is certainly not a motivation derived from the references themselves or from knowledge generally available in the art as required. MPEP 2143.

ii. Group-2 Claims

Claims 2, 4 – 11, and 35 also stand rejected under 35 U.S.C. §103(a) as unpatentable over Higham in view of Sone and Salvo. The Final Office Action provides no further reasoning than has already been discussed to illustrate that the limitations of these dependent claims are taught or suggested in the cited art. The rejection is therefore improper for the reasons given above.

iii. Group-3 Claims

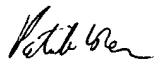
Claims 2, 4 – 11, and 35 also stand rejected under 35 U.S.C. §103(a) as unpatentable over Higham in view of Sone and Salvo. The Final Office Action provides no further reasoning than has already been discussed to illustrate that the limitations of these dependent claims are taught or suggested in the cited art. The rejection is therefore improper for the reasons given above.

9. Conclusion

Appellant believes that the above discussion is fully responsive to all grounds of rejection set forth in the application. It is noted that in this discussion, it has been unnecessary specifically to address the appropriateness of the Examiner's definitions of various terms in ¶14 of the Final Office Action. Accordingly, Appellants make no admission regarding the appropriateness of those definitions and waive no right to argue the proper construction of the claims in any proceeding.

Please deduct the requisite fee of $165.00 pursuant to 37 C.F.R. §1.17(c) from Deposit Account 20-1430 and any additional fees that may be due in association with the filing of this Brief.

Respectfully submitted,



Patrick M. Boucher
Reg. No. 44,037

TOWNSEND and TOWNSEND and CREW LLP
Two Embarcadero Center, 8th Floor
San Francisco, California 94111-3834
Tel: 303-571-4000
Fax: 415-576-0300
PMB:pmb
60056103 v1

APPENDIX

The claims pending in the application are as follows:

1. (Previously Presented) A method for supplying items to a plurality of dispensing units, the method comprising:

providing a plurality of dispensing units that each hold a plurality of each of multiple distinct items, wherein the units have a processor and a memory for storing a record of inventory levels of each distinct item;

periodically sending restocking information from the dispensing units over a network to a server computer, wherein the restocking information includes a restock quantity for each distinct item;

aggregating the restock quantities over the plurality of dispensing units for each of the multiple distinct items;

generating ordering information for the items to be restocked based on the aggregated restocking information; and

electronically sending the ordering information to one or more supplier computers to order items to be restocked into the dispensing units.

2. (Original) A method as in claim 1, further comprising polling the dispensing units over the network using the server computer to obtain the quantities of the items to be restocked.

3. (Original) A method as in claim 1, further comprising generating the ordering information using the server computer, and wherein the ordering information generating step further comprises determining supplier information for the items to be ordered.

4. (Original) A method as in claim 3, electronically sending the ordering information from the server computer to an application computer having a hosted procurement application.

5. (Original) A method as in claim 4, accessing the hosted procurement application to view the ordering information on a display screen of a user computer, and further comprising producing one or more pages on the display screen of the user computer to permit the ordering information to be approved, modified or canceled.

6. (Original) A method as in claim 5, further comprising sending the ordering information from the application computer to an electronic requisition and purchasing system, and further comprising generating one or more electronic purchase order numbers using the electronic requisition and purchasing system and electronically sending the purchase order number to the application computer.

7. (Original) A method as in claim 6, further comprising electronically sending the purchase order number and the supplier information from the application computer to a business portal computer, and electronically sending the purchase order number from the business portal computer to the supplier computer based on the supplier information.

8. (Original) A method as in claim 7, further comprising electronically sending an advanced shipping notice from the supplier computer, to the business portal computer, to the application computer and to the server computer, wherein the advanced shipping notice includes information on items to be shipped, their quantities and a date of shipment.

9. (Original) A method as in claim 8, further comprising electronically sending information contained in the advanced shipping notice from the server computer to the dispensing units to apprise the dispensing units of the items and quantities to be shipped for restocking into the dispensing units.

10. (Original) A method as in claim 9, further comprising shipping at least some of the ordered items to the dispensing units that are contained in the advanced shipping notice.

11. (Original) A method as in claim 10, further comprising electronically sending information contained in the advanced shipping notice from the application computer to the user computer for items that are not stocked in the dispensing units.

12. (Original) A method as in claim 10, further comprising restocking the shipped items into the dispensing units, reconciling the restocked items with the advanced shipping notice using the dispensing unit processor, and electronically sending a confirmation receipt to the server computer from the dispensing units.

13. (Original) A method as in claim 12, further comprising electronically sending the receipt from the server computer to the supplier computers and to the electronic requisition and purchasing system.

14. (Original) A method as in claim 13, further comprising generating an electronic invoice at the supplier computer based on the receipt, and electronically sending the invoice to the business portal computer and the application computer.

15. (Original) A method as in claim 14, further comprising electronically transmitting the electronic invoice from the application computer to the electronic requisition and purchasing system, and generating payment using the electronic requisition and purchasing system.

16. – 30. (Canceled)

31. (Previously Presented) A method for supplying consigned items to a plurality of dispensing units, the method comprising:

providing a plurality of dispensing units that each hold a plurality of each of multiple distinct items on consignment from an external supplier, wherein the units have a processor and a memory for storing a record of inventory levels of each distinct item;

periodically sending restocking information from the dispensing units over a network to a server computer, wherein the restocking information includes a restock quantity for each distinct item;

aggregating the restock quantities over the plurality of dispensing units for each of the multiple distinct items;

generating ordering information for the items to be restocked based on the aggregated restocking information; and

electronically sending the ordering information to one or more supplier computers to order items to be restocked into the dispensing unit.

32. (Previously Presented) A method for supplying items to a plurality of dispensing units, the method comprising:

providing a plurality of dispensing units that each hold a plurality of each of multiple distinct items, wherein the units have a processor and a memory for storing a record of inventory levels of each distinct item;

periodically sending restocking information from the dispensing units over a network to a server computer, wherein the restocking information includes a restock quantity for each distinct item;

generating an aggregated list of distinct items and their associated quantities that are to be restocked based on the restocking information;

providing a hosted procurement application to permit manual selection of suppliers, manufacturers, and quantities for the items in the aggregated list;

generating ordering information for the items to be restocked based on the manual selection using the hosted procurement application; and

electronically sending the ordering information to one or more supplier computers to order items to be restocked into the dispensing unit.

33. (Original) A method as in claim 32, further comprising electronically posting desired items and quantities using the hosted procurement application to permit suppliers to provide electronic quotes for supplying the supplies.

34. (Original) A method as in claim 32, further comprising ordering items that are not on the aggregated list using the hosted procurement application.

35. (Original) A method as in claim 32, further comprising electronically posting suppliers, manufactures of items carried by the suppliers and their associated prices using the hosted procurement application to permit manual selection of the suppliers and manufacturers.

36. – 55. (Canceled)